

Affordable Housing

the District of Bolsover



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Supplementary
Planning
Guidance

February 2002

Preface

This planning guidance has been prepared in accordance with Planning Policy Guidance Note 12 'Development Plans' (December 1999) and is intended to assist the preparation of planning applications by supplementing policies HOU 6 and HOU 7 of the adopted Bolsover District Local Plan (adopted in February 2000). This supplementary planning guidance (SPG) has been subject to public consultation.

The SPG is consistent with the policies and proposals of the local plan as well as national and regional planning guidance. It is issued separately and does not have the status of the policies and proposals of the development plan under Section 54a of the Town and Country Planning Act 1990. However, the SPG may be taken into account as a material consideration in determining planning applications. PPG 12 states that "the secretary of state will give substantial weight in making decisions on matters that come before him to SPG which derives out of and is consistent with the development plan, and has been prepared in the proper manner" (paragraph 3.16).

SUPPLEMENTARY PLANNING GUIDANCE

Affordable Housing

1. Introduction

1.1 The Bolsover District Local Plan was adopted in February 2000. It guides development in the district until the end of the plan period in March 2005. All development proposals should comply with the policies and proposals of the plan.

1.2 Policy HOU 6 'Affordable Housing' requires certain new housing developments to make provision for affordable housing. This supplementary planning guidance has been written to provide developers with more information on how the policy will be implemented by the council and provides examples of how the policy requirements can be met.

1.3 This document should be read in conjunction with Policy HOU 6, HOU 7 and Appendix 3 of the adopted Bolsover District Local Plan. Extracts of these are attached to the rear of this guidance in Appendix 1 and 2 for information.

1.4 Separate Supplementary Planning Guidance is being prepared on Planning Obligations in general.

2. Definition of Affordable Housing

2.1 Circular 6/98 defines affordable housing as both subsidised housing and low-cost market housing that is available to people who cannot afford to buy or rent housing generally available on the open market.

2.2 The New Earnings Survey, produced by the Office of National Statistics, indicates that in 1999 the average gross earnings per person in Bolsover District were £15,750[#]. However, more than 40% of the district's economically active residents earned much less than this (43% earned less than £13,000), and 10% earned less than £7514 (gross) per annum. House prices and house rents must, therefore, be reasonable in the context of the earning capacity of the district residents.

2.3 The council will seek to ensure that new housing development in the district provides a mix of size and type which is appropriate to the area in which it is located. More specifically, on certain sites the council will negotiate for the provision of affordable housing units as part of the development. Circular 6/98 states that "where a Local Planning Authority considers certain sites to be suitable for inclusion of an element of affordable housing and an applicant does not make such a provision, as part of the proposed development, such a failure could justify the refusal of planning permission" (paragraph 24).

[#] Source – New Earnings Survey 1999 Part E Table 15

2.4 Within the district there is a wide range of housing type and size and a variety of price levels. In particular, there are many older properties available for purchase at quite low prices, although much of this stock requires renovation works. In this context, the council considers that the priority for meeting the identified need is to secure housing for rent.

3. Strategic Context

3.1 Based on current trends the Council envisages a continuing need for affordable housing provision and is committed to long-term planning to enable provision of affordable homes throughout the plan period to 2005. Land use allocations and policies for the period to 2011 are currently being considered in the review of the Bolsover District Local Plan. The review is expected to lead to the adoption of a revised plan before 2005, which will assist in the identification of new opportunities for affordable provision.

3.2 The Local Plan and Housing Strategy are significant mechanisms in the realisation of the aims and objectives of the Council's 'Best Value Performance Plan' (2000/2001). This document seeks to address a number of cross-service themes, which are summarised in five broad aims that guide policy, service priorities and spending decisions. These are:

- Contributing to the social, economic and environmental revival of local former mining communities;
- Addressing issues of poverty, inequality and social exclusion;
- Caring for the environment;
- Providing good quality and efficient services which reflect the needs of local people; and
- Tackling crime and disorder and making communities safer.

4. Housing Need

4.1 Circular 6/98 'Affordable Housing' states that where a demonstrable need exists local plans should include a policy seeking an element of affordable housing on suitable sites. Such policies will be material considerations in determining an application for planning permission. It is, therefore, considered appropriate for the planning system to make some contribution to providing affordable housing to meet local needs.

4.2 The council uses a number of methods to assess housing needs:

- District-wide Housing Needs Survey;
- The council's housing waiting lists;
- Housing Condition Surveys;
- Empty Homes Strategy;
- Local Surveys in conjunction with Parish Councils; and
- Data on local house prices/private sector rents and income levels

4.3 The most significant of these is the Housing Needs Survey. In 1997 the council commissioned John Herrington Associates to carry out a detailed housing need survey for the district. A combination of the survey results together with information provided by the council's housing waiting list provides a housing need assessment for the district. The Housing Needs Survey showed that council and housing association lets in the District of Bolsover fell short of housing need by about 300 units.

4.4 The Housing Needs Survey indicates that 48% of households have a need for 3 or 4 bedroom properties and 30 % for bungalows with 2 bedrooms or more. Therefore, the main priority will be to satisfy these requirements in preference to one or two bedroom houses, flats or maisonettes.

4.5 The primary source of new affordable housing is by Registered Social Landlords¹ (RSL's) through the council's Housing Investment Programme. However, this alone cannot satisfy the level of need identified. Therefore, developers of housing on qualifying sites will be expected to help meet the shortfall in provision.

4.6 Allied to a general affordable housing need is the issue of housing condition. Throughout the District there are 'problem' properties within the private sector stock, which are either owner-occupied or privately let. These are properties that are:

- Long term vacant but in reasonable repair;
- Short/long Term vacant derelict and in serious disrepair and, by inference, unfit for occupation; and
- Owner occupied or let but in disrepair or unfit for occupation.

4.7 Whilst there are isolated examples, there are 'hot spots' of dereliction within the District where clusters of such dwellings exist. It is no coincidence that the latter are in the most deprived wards, which have been targeted by the council for concerted area action in respect of social, economic and environmental consideration. This has led to the formal declaration of three Neighbourhood Renewal Areas:

- Shirebrook Model Village;
- Whaley Thorns; and
- Carr Vale

¹ RSL - Registered Social Landlord - provide homes and housing services to people in housing need. There are various types of organisation; many are housing associations or housing co-operatives, some are charitable trust and others are known as local housing companies. They vary in size from those owning just a few homes to country-wide landlords with over 30,000 tenants. They are registered by the Housing Corporation, as required by the Housing Act 1996, who supervise and regulate their activities.

What all RSL's have in common is that they are non-profit making and are controlled by boards or management committees made up of unpaid volunteers. They are entirely separate and independent from local authorities. (Source: "Good Practice - Planning and Affordable Housing in the Eastern Counties", March 1999).

4.8 Whilst not a Neighbourhood Renewal Area Creswell Model Village is a high priority for improvement action.

4.9 The thrust of the council's private sector housing strategy is area renewal as evidenced within the Housing Investment Programme. Providing affordable housing within these deprived areas is paramount and is becoming more important within the developing Empty Homes Strategy.

5. Which sites qualify?

5.1 Policy HOU 6 requires the consideration of affordable housing needs on all housing development sites of 25 or more dwellings or 1 hectare or more in size, including smaller proposals which form part of a larger development site. This includes applications for the renewal of permission on sites that breach the threshold.

5.2 Policy HOU 6 of the Bolsover District Local Plan states that in assessing the suitability of a site for affordable housing provision, the council will take account of the following criteria:

- The level of need in the district:
- Access to public transport:
- The economics of developing the site: and
- The proximity of the site to local services.

5.3 In certain circumstances, affordable housing in rural areas may be augmented by the use of Policy HOU 7. This 'exception' policy enables planning permission to be granted for land within or adjoining existing villages, which would not normally be released for housing, in order to provide affordable housing to meet local needs in perpetuity. Applications for planning permission for affordable housing on sites that would qualify under the exceptions policy will be considered on their own merits and will be subject to the involvement of, and transferral to, a landlord that can demonstrate perpetuity.

6. How many affordable units will be required?

6.1 Policy HOU 6 requires a proportion of new houses on qualifying sites to be affordable, and suitable to meet the local need identified.

6.2 In all cases the presumption will be that 10% of the total site capacity will be given to affordable housing provision. However, the precise figure will be a matter for negotiation between the developer based on the type of affordable housing to be provided, particular site constraints and the marginality of the site. The council will not accept provision that falls below 5% of the site capacity.

7. How can the requirement be met?

7.1 The type of affordable housing provided may vary depending upon the site and the area in which the development is located. The council's priority is the provision of family housing available for rent through a RSL. This objective may be met through the construction of dwellings sold to a Housing Association at a discounted rate. Alternatively, developers may agree to provide land and/or a financial subsidy to enable a RSL to develop units to their own design.

7.2 However, in exceptional circumstances it may be more appropriate to negotiate an off-site financial contribution in lieu of on-site provision. This will enable the purchase and repair of existing housing stock within the locality to provide new affordable homes** or to facilitate the construction of new affordable housing on an alternative site (or sites).

7.3 Off-site financial contributions will only be used for schemes, which form part of, or accord with, the objectives of the council's housing strategy and which result in additional affordable homes.

7.4 The Council believes that good design need not cost any more than poor design. It looks for high quality design in all developments in the district. New affordable housing units should be built to the same high standards as market houses and conform to the Council's adopted local plan policies GEN 1 and 2 as well as its approved Supplementary Planning Guidance "Housing Layout and Design" (December 1998).

7.5 Off-site refurbishment of existing vacant stock should be to the Housing Corporation's own standards for affordable housing provision.

8. How can delays be avoided?

8.1 The Development Control Group Leader will be the initial point of contact for developers of housing that breach the affordable housing threshold. The Group Leader will nominate an officer who will then be the principal contact point for all development control and affordable housing enquiries. Where an affordable housing obligation is to be met, developers should select a RSL from the Council's approved list at the earliest opportunity. Early dialogue with RSL's will help to speed up the negotiating and decision making process. RSL's currently operating in the district are listed at the rear of this guidance in Appendix 2.

8.2 In order to minimise the risk of future dispute and delay, the council expects contracts for the transfer of land to RSL's to be exchanged simultaneously with the completion of the associated Section 106 Planning Obligation. Where appropriate this may be linked to a design-build contract

** Such an approach will be particularly appropriate in the case of developments in the Creswell and Whitwell sub-area and in the Shirebrook sub area where there is currently a significant number of properties in a poor state of repair which are considered more appropriate to rehabilitate.

between the developer and RSL. This requires early discussion between the developer and RSL on design, specification and construction costs.

9. What Are Our Priorities?

9.1 The following hierarchy provides a useful guide, which indicates that affordable housing for rent is the main priority for the council:

1. Provision of **housing for rent** by either:
 - a) On-site development of affordable housing which is then sold at discount to RSL;
 - b) Financial contributions for the purchase, and where necessary the repair, of existing market housing and its conversion to affordable housing for rent;
 - c) Contributions to the provision of affordable housing for rent on an alternative site within the district;
2. On-site **shared ownership** housing;
3. On-site provision of **low cost market housing**.

9.2 Where developers can justify off-site contributions or provision of affordable housing, a hierarchical approach to site selection will be followed.

9.3 The council will retain 100% nomination rights for the first occupants of all types of affordable housing and 75% in perpetuity for all sites in the Council's ownership and for off-site refurbishments.

9.4 Housing for rent

a) On-site provision

9.4.1 Where on-site affordable housing for rent is to be provided by the developer, the dwellings should be sold at a discount to a RSL approved by the council. Developers will be asked to enter into a Section 106 planning obligation to secure the affordable housing units at a price that reflects the difference between the Social Housing Grant and the market value (see Appendix 4 for an example). These units or the land and financial subsidy will then be transferred to a nominated RSL.

9.4.2 The council may ask the developer to enter into a Section 106 planning obligation, or it may impose conditions, which provide that a specified proportion of general housing on the site cannot be occupied until the affordable housing element has been built and transferred to a RSL. The council will require the affordable housing units to be reasonably promoted and made available for a period of 18 – 24 months, after which time if the units have not been taken up the developer may sell the properties on the open market. Neither the council nor the RSL will be responsible for any loss

in market value of the properties or any losses due to changes in the interest rates.

9.4.3 Developers will be asked to supply information to the council to enable them to monitor costs and the success of take-up of such provision.

b) Off-site financial contributions

9.4.4 PPG 3 indicates that affordable housing should be provided as part of the proposed development of the site. Failure to do so could result in planning permission being refused. However, in particular parts of the district, or on specific sites, it may be more appropriate to negotiate off-site contributions in lieu of on-site provision.

9.4.5 The poor condition of certain areas of existing housing stock is considered to be an exceptional local circumstance that provides justification for the request for off-site contributions in preference to the provision of new build units, both on and off-site. Such an approach is both sensible and sustainable and will help to maintain a social and tenure mix as well as helping to preserve existing communities. In such cases, contributions will be sought to purchase and refurbish existing private sector housing stock, to be transferred to a RSL, where this produces a net gain in affordable housing for rent in the district. This will particularly be the case for development within the Creswell/Whitwell sub-area and the Shirebrook sub-area to the north of the district or in areas where there is demonstrable evidence of uninhabitable or vacant properties.

9.4.6 Financial contributions derived in this manner will be used by a RSL, to buy, repair and convert existing stock into additional affordable housing for rent. All schemes funded by off-site financial contributions must form part of, or accord with, the objectives set out in the council's housing strategy.

9.4.7 Off-site contributions will be calculated as though on-site provision is to be made, however, the contribution will be used to purchase and refurbish existing vacant stock in accordance with the hierarchy for off-site provision outlined in section 9.7 below.

9.4.8 Contributions will only be sought for off-site provision of new-build affordable housing units for rent, as a last resort, when on-site provision or off-site refurbishments are considered inappropriate. Developers will be expected to provide these on land in their ownership or in the control of a nominated RSL at a price that reflects the difference between the Social Housing Grant and the market value.

9.4.9 Developers will be asked to enter into a Section 106 agreement to secure the payment of such financial contributions at an appropriate point in the construction or occupation of the development site. If it is agreed that the contribution is to be paid at a future date, then interest payments may be negotiated.

9.4.10 Section 106 Planning Obligations may contain claw-back clauses requiring the authority to pay back financial contributions if they have not been spent within an agreed period of time. The claw-back period will be 5 years. Any interest accrued on money being held by the council will be retained by the council and used for other affordable housing schemes.

9.5 Shared Ownership

9.5.1 There are currently very few shared ownership schemes in the district. However, this option may be appropriate in some circumstances. Shared Ownership can address a small minority of households in need who can afford a small mortgage but who are not able to afford to buy outright. The council will support shared ownership provision by RSL's within larger developments alongside rented and market provision. Shared ownership costs will vary according to the market value, interest rates and the percentage of equity sold.

9.5.2 Such schemes should be passed to the relevant RSL at a discounted rate calculated in the same way as on-site housing for rent. Details of the equity share and the cascade mechanism for occupancy should be included within a legal agreement to ensure that successive occupants enjoy the affordability of the property. The cascade approach for occupancy is contained in Appendix 2.

9.6 Low Cost Market Housing

9.6.1 Low Cost Market housing, which includes properties to buy or rent, is the council's lowest priority for affordable housing provision. This is because there is considered to be less need for this type of accommodation, as it is much more likely to be provided through normal market forces within the district.

9.6.2 If low cost housing is proposed, the council will need to be satisfied that the size and type of housing is appropriate to meet the identified need in the district.

9.6.3 Where the affordable housing requirement is met in this way the council may withdraw Permitted Development rights as a means of keeping the property in the affordable category. Alternatively, developers may be asked to enter into a Section 106 Agreement, in order to control the occupancy of the dwellings, in cases where RSL's are not involved. The cascade approach for occupancy is contained in Appendix 2.

9.6.4 In cases where low cost housing is proposed as part of a larger development, the council may seek to enter into a Section 106 planning obligation or impose conditions. These will require that the 'affordable housing' element of the development is provided prior to a certain stage of development or occupation of the rest of the site.

9.7 Hierarchy for Off-site Provision

9.7.1 Where a developer enters into a planning obligation to provide contributions towards affordable housing off-site or the refurbishment of existing housing, the council will follow a hierarchical approach when directing the use of those contributions. The purpose of the hierarchy is to ensure housing needs are addressed, wherever practical, as close as possible to the development that generated the contribution. As such, the council will consider proposals, in the following priority order:

1. Within the same settlement boundary;
2. Within the same sub-area; then
3. Anywhere else in the district.

9.7.2 Where off-site provision of new affordable housing units has been agreed, developers should demonstrate that they have followed a sequential approach in selecting a particular site.

10. Basis for Negotiation

10.1 The following list provides the basis to all negotiations:

- Policy HOU 6
- Sites of 25 or more dwellings or 1 hectare or more in size
- Negotiations will be carried out on the assumption that land has been bought for a realistic price, which reflects all known development constraints, including the provision of affordable housing.
- Negotiations will seek the provision of a number of affordable units on the development site, or equivalent off-site contributions, based on information relating to need and demand within the area. The presumption will always be for 10% of the site capacity to be provided as affordable housing.
- The size and type of affordable homes provided on a site will be negotiated on the basis of the particular need in that locality, as identified by the housing need assessment. For example, if the need in the area is for family housing it will not be acceptable to provide small starter homes at the bottom end of the housing market to meet the affordable housing requirement for that development.
- On-site affordable housing, shared ownership and new build off-site affordable housing provision, including the land, will be offered to a RSL at a subsidised rate. This rate is the total cost of the property less the Social Housing Grant applicable for the property type.
- Off-site contributions towards the purchase and refurbishment of existing vacant stock will be the same as if on-site provision were to be

made. Any outstanding balance following the completion of a purchase and refurbishment scheme will be returned to the developer

- In the case of off-site contributions for the purchase and refurbishment of existing vacant stock, Section 106 planning obligations may contain claw-back clauses requiring the authority or the RSL to pay back financial contributions if they have not been spent within an agreed period of time. In the case of on-site and off-site new build properties, the developer may claw-back those properties if they have not been occupied within the negotiated period (18-24 months). The developer may then dispose of these on the open market.
- Section 106 planning obligations may contain clauses, which seek to secure the provision of an element of affordable housing at a certain point in the development of the site or before a number of market houses are occupied.
- Any interest accrued on money being held by the council will be retained by the council and used for affordable housing schemes.
- 'Exceptions' sites will be considered as and when they arise and in the context of Policy HOU 7 and advice contained within PPG 3 and Circular 6/98.

11. Monitoring and Review

11.1 PPG 3 states that effective monitoring is essential to the strategy of maintaining an adequate supply of land and buildings for housing and to enable its managed release. The same is equally true for affordable housing. The council will monitor the progress of all housing sites as part of its annual Residential Land Availability exercise. All Section 106 Agreements, signed or otherwise, will be monitored and an officer's working group comprising of staff from Planning, Environmental Health & Housing, Financial Services and Legal Services will meet annually to review the effectiveness of policy, targets and agreements.

11.2 A report will be prepared and presented to Planning Committee on annual basis indicating the current progress of signed S106 agreements. Amongst other things, this report will contain an analysis of money held by the council for affordable housing projects, a breakdown of the various trigger dates and the provision made up to the date of the report.

11.3 The Planning Obligation Monitoring Officer will seek a Closing Statement from the Financial Services Manager and forward this to the developer when the financial transfer has been made to the Council. This will confirm that the planning obligation has been met.

12. Useful Contacts

Danielle Troop
Strategic Housing Officer
Regeneration - Housing Strategy
(01246) 242527

John Sherwood
Principal Environmental Health Officer
Environmental Health and Housing
(01246) 242236

Chris Doy
Development Control Manager
Planning Services
(01246) 242265

Jim Fieldsend
Principal Solicitor
Legal Services
(01246) 242472

Ian Collis
Planning Policy Manager
Planning Services (Policy)
(01246) 242299

Appendix 1

Extracts from the Adopted Bolsover District Local Plan (February 2000)

Policy HOU 6: Affordable Housing

In determining planning applications for housing development on sites listed in policies HOU 3, and EMP 2 the local planning authority will seek to negotiate an appropriate mix of dwelling type and size. Specifically, on the sites listed below, this mix should incorporate an element of affordable housing to meet the needs of the local community:

- Park Lane, Pinxton
- Birchwood Lane, South Normanton
- Primrose Hill, Blackwell
- Cragg Lane/Alfreton Road, Newton
- East Street /North Street, Doe Lea
- Terrace Lane, Pleasley
- South Shirebrook
- Main Street, Carr Vale
- Skinner Street, Creswell

Elsewhere in the district the local planning authority will, when determining new planning applications or applications for the renewal of permission for housing development on sites which are for 25 or more dwellings or of 1ha or more in size, (or which form part of a larger development site with a potential capacity of 25 or more dwellings), seek to negotiate the inclusion of an element of affordable housing to meet a proven local need.

In negotiating the inclusion of an element of affordable housing the local planning authority will seek to achieve an appropriate mix of dwelling type and size to meet the needs of the local community. The local planning authority will impose conditions or seek to negotiate a section 106 obligation to ensure that arrangements are made for the affordable housing provided to be occupied initially or in perpetuity by persons who cannot afford to occupy housing generally available on the open market.

In assessing the suitability of a site for providing affordable housing the local planning authority will take account of:

- 1) the level of need in the area;
- and
- 2) access to public transport;
- and
- 3) the economics of developing the site;
- and
- 4) the proximity of the site to local services.

Exceptionally, the local planning authority will seek to negotiate a financial or other contribution towards the provision of affordable housing off the

development site, through a section 106 obligation. In such cases it may be considered more appropriate for the contribution to be used by a registered social landlord to acquire and where necessary bring back into beneficial use vacant and/or unfit housing stock, provided that this will result in the provision of additional 'new' affordable housing units. Contributions should be targeted towards specific schemes which are in accordance with the council's housing programme.

Policy HOU 7: Low cost housing to meet local needs in small settlements in the countryside

In order to help meet local needs for low cost housing the local planning authority may, exceptionally, grant planning permission for residential development within or adjoining settlement frameworks and in the small hamlets of Old Blackwell, Hardstoft, Astwith, Stainsby, Rowthorne, Stony Houghton, Upper Langwith, Whaley, Whaley Common, Elmton and Belph, which are not defined by a settlement framework.

Such development will only be permitted if it meets a particular identified local need that cannot be accommodated in any other way. Homes provided should be, and should remain, available in the long term for local needs. Proposals to construct dwellings offering a discounted initial purchase price only, or proposals for individual dwellings will not be permitted under this policy. In permitting such development the local planning authority will ensure that there are adequate occupancy controls to meet local needs in perpetuity by imposing conditions on any planning permissions or seek to negotiate a planning obligation under Section 106 of the Town and Country Planning Act 1990.

Permission will be granted only where:

- 1) Specific evidence of need in the settlement or settlement group is provided and where the type of housing to be provided reflects the evidence of need in terms of tenure, affordability and accommodation. This evidence will generally take the form of a detailed settlement survey undertaken by the developer in conjunction with the local planning authority;
- 2) Approval of the scheme would not set a precedent for sporadic development in the countryside.

Appendix 2

Extract from Appendix 3 of the local plan

Cascade Approach for Occupancy

Paragraph 3.61 of the local plan states that in certain circumstances it may be appropriate to use conditions or S106 obligations to secure appropriate occupancy. Where this is the case the following cascade approach may be used.

Allocation should be to (a) persons resident¹, (b) with local connections², or (c) employed by a firm located within³:

Level 1) to (a) persons resident, (b) with local connections, or (c) employed by a firm located within the parish in which the affordable housing is provided. If no such person(s) can be found...

Level 2) to (a) persons resident, (b) with local connections, or (c) employed by a firm located within a parish immediately adjacent to the parish in which the affordable housing is provided. If no such person(s) can be found...

Level 3) to (a) persons resident, (b) with local connections, or (c) employed by a firm located elsewhere in the district. If no such person(s) can be found...

Level 4) to (a) persons resident, (b) with local connections, or (c) employed by a firm located within a district council area immediately abutting this district.

The allocation of housing to an appropriate person should be sought for a 6 week period at each level before allocation cascades to the next level of eligibility. In exceptional circumstances if all levels of eligibility have been explored and the property remains unoccupied it may be disposed of on the open market.

¹ A person resident is defined as a person who has lived continuously within the relevant area for not less than 4 years

² A person with local connections is defined as someone who is related to a resident of the relevant area who has lived continuously in that area for more than 10 years

³ A person employed by a firm located within the relevant area

Appendix 3

Approved List of Registered Social Landlords

Derwent Housing Association
01332 346477

Northern Counties Housing Association
0114 2760157

East Midlands Housing Association
01530 811100

Trident Housing Association
0121 6334633

Leicester Housing Association
0116 2576700

South Yorkshire Housing Association
0114 2900100

Walbrook Housing Association
01332 372141

NB: This appendix lists RSL's which have recently completed new provision or are currently undertaking provision in the District of Bolsover with the assistance of Social Housing Grant. RSL's that have not previously operated within the district should provide the Chief Environmental Health and Housing Officer with evidence that they are a going concern. The list will then be altered accordingly.

Appendix 4

Financial Arrangements

This section provides a theoretical example of how affordable housing contributions may be calculated for both on-site and off-site provision, based on the same site. It is useful if the developer selects a RSL early in the development process in order to speed up the planning process.

Provision is based on the following factors:

- The total site capacity
- The negotiated percentage affordable housing yield
- The type of affordable properties as evidenced by housing needs study
- The market cost of the affordable houses to be built
- The SHG applicable for the type of affordable housing built

Contributions are based on the total market cost of the affordable dwellings, less the applicable Social Housing Grant (SHG) for those types of properties.

Developers are reminded that there is a presumption for 10% provision of affordable housing unless the viability of the scheme is called into question. In such cases the council will ask for evidence to support claims and may have this independently assessed.

Example: On-site provision

Total site capacity	= 58 dwellings
Affordable housing yield at 10% of total capacity	= 6 dwellings
Type of affordable houses to be built	= 3 bed
dwellings for rent	
Theoretical market cost of each affordable house	= £60,000 ¹
SHG applicable for new build 3 bed house	= 37% ²
Therefore, 6 dwellings @ £60,000	= £360,000
Less SHG @ 37%	= £133,200
On-site affordable housing obligation to Developer	= £226,800
(Or £3,910 per dwelling on site)	

The developer may build the properties and sell them to the RSL at discount or provide the land and finance to the RSL for them to build the properties. This is a matter for negotiation between the developer and the chosen RSL.

Off-site contributions towards affordable housing provision are calculated as though it is to be provided on-site. The money will be used by a nominated RSL to subsidise the purchase and refurbishment of long term vacant

¹ The developer must indicate what the market price of the properties will be

² Based on the Housing Corporations TCI percentages (published 2001/2) rounded to the nearest percent.

properties highlighted on the Council's Empty Property Register. Any remaining money that exists once the affordable housing obligation has been met will be returned to the developer.